




## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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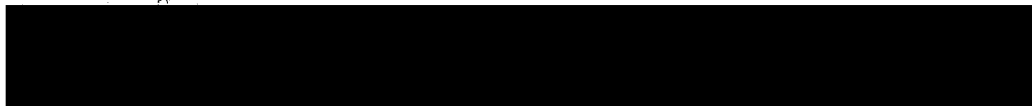
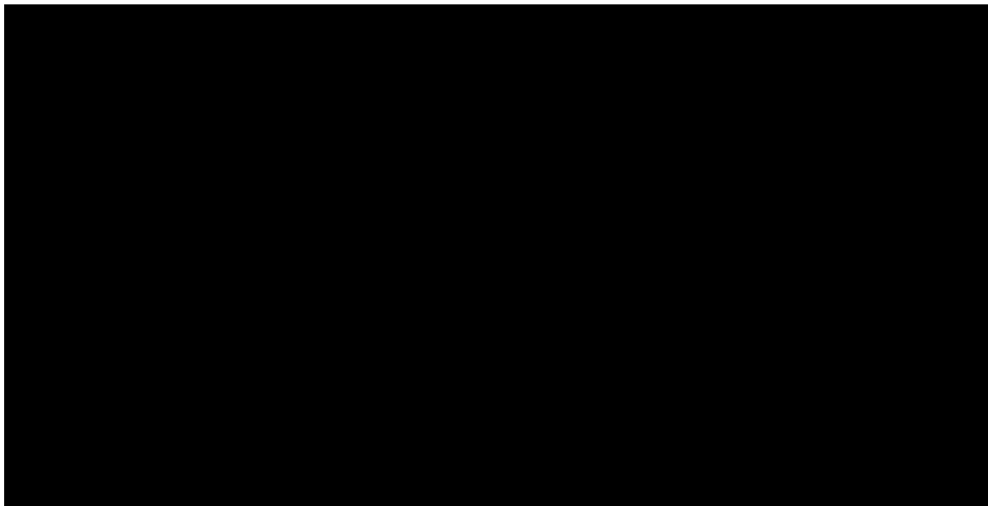
SECURITY INFORMATION

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SUBJECT	Chinese Communist Industries, Kwangtung, Kwangsi, and Fukien	DATE DISTR.	11 June 1953
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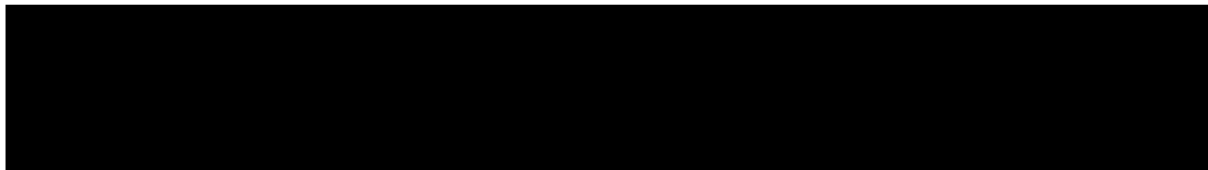
1. In late November 1952, Chinese Communist authorities were conscripting men and women, aged 16 to 32, in the Kwangtung coastal areas to be sent to Hainan Island to assist in rubber production.<sup>1</sup>

China, Liuchou

2. During the winter of 1952-1953 the Reclamation Department of the Central and South China Area authorized the bureaus of the Kwangsi office to recruit

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laborers from Kwangsi for rubber growing and tapping operations in Hainan. In early January 700 laborers, and in early February 420 additional laborers, had arrived in Hainan. In early February all of these laborers were at Paot'ing (N 18-40, E 109-32), Wanning (N 18-50, E 110-23), or Lingshui (N 18-35, E 109-56) restoring old and opening new plantations. Normal production for the majority of the Hainan plantations was not expected until 1956. The reclamation of the Hainan plantations was under control of the Hainan branch office of the Reclamation Department.

3. In November the Liuchou (N 24-18, E 109-16) cement factory sent the first shipment of cement to the Democratic Republic of Vietnam (DRV) in accordance with an agreement signed by representatives of the factory and representatives of the DRV. The agreement stipulated that the Liuchou cement factory would supply the DRV's total requirement of 300 tons per month for a period of one year.
4. The November shipment of cement went from Liuchou to P'inghsiang (N 22-06, E 106-44) by rail. It was met in P'inghsiang by representatives of the DRV. Prior to November a Kwangtung cement factory had supplied the DRV with 300 to 400 tons of cement per month. The DRV changed the source of supply because of the difficulty and cost of transporting the cement from Kwangtung.
5. Prior to November the factory had 350 tons of cement available every month after fulfilling the monthly requirements of Liuchou, Kweilin (N 25-20, E 25-20), and Nanning. The total monthly output was from 350 to 500 tons
6. In January 1953 the Kwangsi Department of Industry was constructing a factory to produce cement at Laochuntung (5071, 0689/3159), Kweilin. In February all equipment at the Li Chih Kou (5408/2655/3297) Cement Factory, Hainan Island, was to be dismantled and transferred to the new Kweilin factory. The Central and South China Department of Industry arranged for the transfer of the equipment from Hainan Island to Kweilin. The Kweilin factory was expected to be completed and in production after June 1953.
7. In order to meet the requirements of the provincial reconstruction program, the Kwangsi Department of Industry authorized construction of the Kweilin factory. Construction of a factory in Kwangsi would relieve the province from dependence upon inadequate cement shipments from a cement factory in Canton, formerly the only source of cement supply for Kwangsi, and would reduce transportation difficulties

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#### China, Nanning

8. Beginning in January 1953 an industrial reform program was to be undertaken in all manufacturing and mining enterprises throughout Kwangsi Province. The reform program, ordered by the Kwangsi Provincial government, was in keeping with the resolutions of the South China Industrial and Mining Conference. It included the following:
  - a. Wage reform programs were to be completed before the end of 1953.
  - b. A large-scale security check was to be undertaken in the winter of 1953.
  - c. Labor unions were to be reorganized in order to readjust the power of the various producing units, union leaders were to be selected, and short term union training classes were to be organized.
  - d. A unit labor production race was to be inaugurated in January 1953.
  - e. Annual and quarterly increase-production and austerity program reports were to be submitted.

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- f. A production plan, based on the unit labor race and the increase-production and austerity program reports, was to be devised. The production plan was to be put into effect concurrently with the unit labor race, both to be in full operation by 1 April 1953.
- g. The results of the production reform were to be reviewed at the end of the third quarter of 1953.

China, Canton

- 9. On 2 December Soviet-made mining equipment to be used in the development of wolfram, arrived at Nanshan and Papaoshan (0360/1450/1472) in Yingte (N 24-10, E 113-24). Ten Soviet advisers escorted the equipment.

Taiwan, Taipei

- 10. In mid-November the name of the T'ienhua (1130/0553) Iron Owrks in Wenchou (N 28-01, E 120-38) was changed to the Lienying (6114/3602) Iron Works and the plant was placed under the direction of CHOU T'ien-hua (0719/1131/0553).

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Comments

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- 1. In July 1952 the Chinese Communists had sent several hundred workers to Hainan to aid in the development of rubber plantations, according
- 2. It is doubtful that the total monthly output of the factory was from 350 to 500 tons if it was able to have 350 tons left after supplying the monthly requirements Liuchou, Kweilin, and Nanning.

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- 4. The Kwangsi Provincial industrial construction program for 1953 was outlined in

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